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SUBJECT: AUSTR DELANEY VISIT: GOI PROGRESS ON LABOR RIGHTS

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[E](#). MCFARLAND-DEANGELIS E-MAIL 02/14/2010

Classified By: EMIN John Desrocher for reasons 1.4 (b,d)

[1](#). (C) Summary: The Shura Council has completed its constitutional review of a draft labor code and will send it to the Council of Ministers "in the coming days," Shura President Ghazi Milo Ibrahim al-Janabi told Assistant United States Trade Representative Michael Delaney during Delaney's February 7-11 visit to Baghdad. Government, parliament, and justice officials told Delaney that movement on the modern labor code -- which would replace existing Saddam-era laws and complement ongoing social security, pension, and welfare reform efforts -- had been slow because of: 1) the need for the Shura Council to reconcile dozens of fragmented Saddam-era labor laws (ref A); 2) a drawn-out consensus-building process with union leaders and employers; and, 3) bombings at the Ministry of Justice that injured members of the GOI's labor code review committee. Labor leaders generally criticized the GOI's slow progress on the labor code, but focused complaints on "government interference" in internal union affairs. Delaney heard widespread understanding that the existing Saddam-era labor laws -- which the new code will supersede -- are unconstitutional and need to be repealed. ILO Beirut is organizing a May workshop to review the GOI edits. End Summary.

AUSTR DELANEY'S FEBRUARY 7-11 VISIT TO BAGHDAD

[2](#). (C) AUSTR Michael Delaney traveled to Baghdad February 7-11 and met with: Deputy Prime Minister Rowsch Shaways, National Investment Commission Acting Chair Dr. Sami al-Araji, Acting Minister of Trade Dr. Safaa al-Din al-Safi, Minister of Finance Bayan Jabr al-Zubaidy, Acting Minister of Agriculture Dr. Akram al-Hakeem, Deputy Labor Minister Nouri Nasem al-Helfi, Council of Representatives Economic and Services Committee Chair Haider al-Abadi, and Shura Council President Judge Ghazi Milo Ibrahim al-Janabi. Delaney hosted a special meeting of the Strategic Framework Agreement's (SFA) Joint Coordinating Committee (JCC) Trade and Investment Working Group and a follow-on dinner that included Director General-level officials from the Ministries of Labor, Trade, Finance, Industry and Minerals, Health, and Interior. He hosted a labor roundtable for union leaders and led discussion at a business roundtable sponsored by the International Business Council of Iraq (IBC-I).

¶3. (SBU) Delaney advocated swift movement to modernize Iraq's labor laws, encouraged officials to take greater advantage of the U.S. Generalized System of Preferences (GSP), and solicited comments on a June 24, 2009 AFL-CIO petition seeking revocation of Iraq's GSP benefits.

SHURA COUNCIL - ILO-ASSISTED LABOR CODE PASSED

¶4. (C) In his February 8 meeting with Delaney, Shura Council President Judge Ghazi Milo Ibrahim al-Janabi announced that the Shura Council had "just completed" its constitutional review of the ILO-assisted draft labor code, which had been slowly working its way through Shura committees since 2007. Originally 24 Chapters and 200 Articles, the Shura review QOriginally 24 Chapters and 200 Articles, the Shura review resulted in some consolidation of provisions, reducing the draft Labor Code to 22 Chapters and 168 Articles, al-Janabi said. The Shura board that reviewed and codified the legislation -- comprised of 21 advisors from GOI ministries, labor unions, and employer representatives -- "did not identify any conflict" between the draft law, Iraq's constitution, and the international labor standards enshrined in the draft code, according to al-Janabi. Most edits, he said, were required because the original draft bill, borrowed from other models, had technical incompatibilities with Iraqi social and cultural norms. Al-Janabi gave one example:

-- The original draft law provided by ILO set the regular work week at Monday through Friday, limited the workday to eight hours, and set overtime compensation rules for work days and weekends. When the Shura review board attempted to adjust the draft to fit Iraq's standard work week (i.e., Sunday through Thursday), labor representatives objected, arguing that the work week should be shortened to four days, al-Janabi said. After weeks of negotiations on this single issue, the Shura Council brokered a compromise between the Ministry of Labor, union leaders, and employer representatives: the work week would be five days, seven hours per day. Al-Janabi said the Board identified and reconciled approximately 300 action items that required similar deliberations during the three-year review.

¶5. (C) In addition to the Shura Board's lengthy internal deliberations, al-Janabi attributed delays to 1) efforts to synchronize sections of the draft labor code with reforms that are still being crafted for other social services (social security, pension system and welfare reform) (ref A); and, 2) an impasse on a national debate over privatizing Iraq's massive, inefficient state owned enterprises (SOEs), Iraq's largest employment sector. He told Delaney that Shura clerks were in the process of typing the Shura board's edits to finalize the draft. (Note: Over the course of the review, the Shura board hand-wrote hundreds of technical edits on a marked-up copy of the draft bill, according to al-Janabi. End Note.) When transcribed, the Shura Council will deliver the draft to the Council of Ministers, al-Janabi said. The edits did not change the draft's compatibility with ILO's International Labor Standards, Al-Janabi said, including with respect to freedom of association and collective bargaining, forced labor and trafficking, child labor, equality in employment and occupation, and maritime labor standards, among others.

LABOR LEADERS - WE NEED MORE SPACE

¶6. (C) In a February 9 roundtable hosted at the Embassy, labor leaders complained that: 1) current law recognized only one labor union, the General Federation of Iraqi Workers (GFIW), as the official labor advocacy group for Iraqi workers; 2) Decree 8750, which froze union assets in 2005 pending union leadership elections, was still in force; 3) a GOI-imposed "union election process" amounted to government interference in internal union affairs; and, 4) inadequate

labor protections would result in Iraqis losing jobs to migrant workers. Union leaders unanimously agreed that the ILO-assisted draft labor code would remedy their complaints -- if implemented appropriately and without substantial edits.

¶7. (C) Comment: As we expected, the roundtable provided labor leaders a platform for dramatic criticism of the GOI and the allegedly slow steps it is taking to modernize Iraq's labor environment. Union leaders called the GOI "fascists" and "Hitlerists." Delaney probed for specific examples of labor standards violations vis-a-vis the stated complaints. Participants unanimously identified the GOI's still-developing plans to impose a standard election process for union leaders. Topics conspicuously missing from the discussion were health, safety and environment (HSE) protections, forced and compulsory labor, child labor, workplace discrimination, and a minimum wage. End Comment.

¶8. (C) Hadi Ali Laafta, General Secretary, General Federation of Iraqi Workers (GFIW), and Hasim Trakchi, Chair, Iraq Federation of Industries, told Delaney that they sat on the QFederation of Industries, told Delaney that they sat on the 2005 committee that drafted the ILO-assisted labor code, and on subsequent committees to refine it. Laafta said he also sat on the Shura Board that had just completed the three-year labor code review. Laafta credited himself with championing the inclusion of core labor standards in the draft, "I met with every member of government during this process," he said. Laafta also claimed that GOI officials practiced a systemic campaign to ignore labor leaders and labor rights.

¶9. (C) Comment: In a short, candid exchange, two roundtable participants (Hassan Juma'a Awad and Nazar Alwailli) expressed frustration with Laafta and to a lesser degree with Trakchi. Though Laafta and Trakchi sat on GOI boards and commissions as labor representatives (seemingly a revelation to Awad and Alwailli), Awad and Alwailli asserted that neither had consulted other labor representatives during the labor code debate or during discussions with the GOI about a government regulated union election process. End Comment.

¶10. (C) Iraqi Labor Participants at Embassy Roundtable:

- Mr. Hadi Ali Laafta, General Federation of Iraqi Workers
- Mr. Hasim Trakchi, Chair, Iraq Federation of Industries
- Mr. Hassan Juma'a Awad, Iraqi Federation of Oil Unions
- Mr. Nazar A.M. Alwailli, Iraq Federation of Industries

GOI - AFL-CIO PETITION IGNORES PROGRESS

¶11. (C) Ministry of Labor and Social Affairs (MOLSA) Deputy Minister Nouri Nasem al-Helfi told Delaney in a February 9 meeting that the growing number of unions in Iraq, "unlike the Saddam-era," was indicative of "much more space for labor rights." Al-Helfi confirmed that the Shura Council had completed its review of the ILO-assisted draft labor code, which, he said, would create additional space for unions. A tri-partite committee, convened by MOLSA, and co-chaired by MOLSA legal advisors (two members), employer representatives (two members), and a union representative (one member), met regularly to: 1) work through issues identified by the Shura Council review of the draft ILO-assisted labor code; 2) prepare implementing regulations for the eventuality that the labor code passes; and, 3) address general labor concerns, as necessary. "The differences of opinion (among tripartite committee members) gives us invaluable insight, which we depend on," al-Hilfi said. The Shura Council intended to forward the bill to the Council of Ministers "within a week or so."

¶12. (C) "My full respect to the AFL-CIO," National Investment Commission Acting Chair and SFA Working Group Co-Chair Dr. Sami al-Araji told Delaney at the February 7 JCC working group meeting, "We would welcome their delegation to Iraq, so

that they could see the realities on the ground." "Every factory in Iraq has seven or eight unions now," al-Araji said. "We are trying to protect our industries and our jobs and you complain about it," he said in reference to WTO concerns. "But, local news stations broadcast live coverage of workers' protesting. These are signs that Iraq's labor rights environment is improving considerably," al-Araji said. (Comment: In a meeting on the same subject with al-Araji the next day, al-Araji pointed to his office television and translated parts of an Arab language broadcast that showed workers, complemented with protest signs, slogans, and T-shirts, demonstrating for higher wages outside of a factory in Basrah. End Comment.)

ILO WORKSHOP TO REVIEW EDITS TO DRAFT LABOR CODE

¶13. (C) In a February 21 phone call following Delaney's visit, ILO Iraq Program Manager Ghassan Alsaffar (based in Amman) told econoff that ILO had met with MOLSA officials in Beirut to discuss the Shura Council's edits and that ILO expected to receive the final version of the Shura passed bill "within the coming days." ILO Beirut will schedule a workshop in Beirut sometime in May, according to Alsaffar, "to review the law with our constituents and to ensure that the law is compliant with International Labor Standards." Alsaffar said he had heard from MOLSA officials that the Council of Ministers would not forward the draft code to the COR before March 7 national elections. In the meantime, "ILO will translate the draft labor code."

EMPOWERING LABOR UNIONS IN IRAQ PROGRAM (EUI)
QEMPOWERING LABOR UNIONS IN IRAQ PROGRAM (EUI)

¶14. (C) Empowering Labor Unions in Iraq (EUI), a \$3 million DRL-funded program implemented by Relief International, provides a platform for official and unofficial Iraqi labor unions to organize, train, and operate. Relief International country director Dr. Yarub al-Shiraida, who attended the February 9 labor leaders roundtable, told Delaney that EUI's training and support activities have reached more than 57,000 Iraqi laborers. Specific programming includes training workshops, national and regional union resource centers that provide facilities for meetings, internet connectivity, library materials, office equipment, and small grants to unions for capacity-building, advocacy and membership development initiatives. According to al-Shiraida, EUI held 753 workshops attended by 16,309 workers in the last quarter of 2009.

Training topics included:

- What is a Trade Union?;
- Importance of a Union in a Worker's Life;
- Role of a Union in the Workplace;
- Local and National Role of a Union;
- Collective Negotiation;
- Workers' rights in the Labor and Social Security Law;
- History of Iraqi Trade Unions;
- ILO Standards;
- Role of Women and the Young in Trade Unions;
- Gender.

¶15. (C) NGO Participants in Labor Roundtable:

- Mr. Yarub al-Shiraida, Country Director, Relief International
- Mr. Farouk al-Salim, EUI Director, Relief International
- Mr. Wesam Odeh, EUI Deputy Director, Relief International

COMMENT: STEPS TOWARD AFFORDING WORKERS RIGHTS

¶16. Comment: The Shura Council's progress on the draft labor

code, after more than three years of thorough review and intensive deliberations, is encouraging. We will not know if the Shura Council's changes are fully compliant with ILO core labor standards until the ILO has obtained, translated, and analyzed the final draft. While many steps remain before this new reformed labor legislation becomes law, progress on this path is measurable, and the GOI appears keen on defacto implementation of labor protections even before the law is passed.

¶17. (U) AUSTR Delaney has cleared this message.
HILL